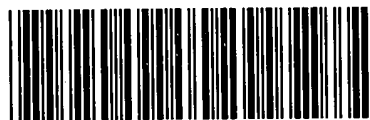


Company Registration No. 01055767 (England and Wales)

RICHARD HARDIE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

THURSDAY



A59RVYAM

A21

23/06/2016

#180

COMPANIES HOUSE

RICHARD HARDIE LIMITED

COMPANY INFORMATION

Directors	Mr R P Hardie Mrs B Hardie Mr N R Hardie
Company number	01055767
Registered office	Trafford Road Southwick Sunderland Tyne & Wear SR5 2DA
Auditors	RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) Chartered Accountants 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Lloyds Bank Black Horse House 91 Sandyford Road Newcastle upon Tyne NE1 8HQ

RICHARD HARDIE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the strategic report and financial statements for the year ended 31 December 2015.

Business review

The company has Peugeot dealerships in Sunderland and Durham and dual franchise dealerships in Ashington and Silverlink, Newcastle, with the Ashington branch representing Peugeot and Fiat and the Silverlink branch Fiat and Abarth.

2015 provided an increase in demand for both new and used cars and the company was able to take advantage of this and the improving economic conditions to increase turnover by 0.2% and a corresponding 4.9% in operating profit.

The directors were satisfied with the financial performance achieved in 2015.

Financial risk management objectives and policies

The company makes little use of financial instruments other than an operational bank account and commercial loans and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Key performance indicators

During the year, turnover increased to £47.1m (2014: £47.0m). The gross profit percentage has increased to 11.3% (2014: 10.9%).

At the balance sheet date, the company had shareholders funds of £3,607,906 (2014: £3,423,366). The directors therefore believe the company's financial position to be satisfactory.

On behalf of the board



Mr R P Hardie

Director

14 June 2016

RICHARD HARDIE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company is that of retail motor dealers, operating four branches, all with facilities for new and used car sales, servicing and repairs and part sales.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R P Hardie

Mrs B Hardie

Mr N R Hardie

Mr J C Anderson

(Resigned 27 March 2015)

Results and dividends

The results for the year are set out on page 5.

Ordinary dividends were paid amounting to £120,000. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RICHARD HARDIE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr R P Hardie

Director

14 June 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RICHARD HARDIE LIMITED

We have audited the financial statements on pages 5 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standard for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

Iain Corner (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

.....

16.06.16

RICHARD HARDIE LIMITED

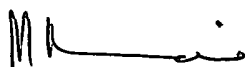
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	47,137,735	47,033,615
Cost of sales		(41,801,293)	(41,900,610)
Gross profit		5,336,442	5,133,005
Distribution costs		(2,519,754)	(2,347,512)
Administrative expenses		(2,320,239)	(2,317,822)
Other operating income		-	5,799
Operating profit	4	496,449	473,470
Interest receivable and similar income	8	268	353
Interest payable and similar charges	9	(63,061)	(55,208)
Profit on ordinary activities before taxation		433,656	418,615
Taxation	10	(129,116)	(101,402)
Profit for the financial year	27	304,540	317,213
Other comprehensive income net of taxation			
Unrealised profit on revaluation of certain fixed assets		-	100,000
Total comprehensive income for the year		304,540	417,213

RICHARD HARDIE LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Goodwill	12		-		-
Tangible assets	13		3,321,300		3,325,364
Investments	14		525,000		525,000
			<u>3,846,300</u>		<u>3,850,364</u>
Current assets					
Stocks	16	4,742,527		4,756,569	
Debtors	17	1,578,954		1,288,590	
Cash at bank and in hand		5,028		243,436	
		<u>6,326,509</u>		<u>6,288,595</u>	
Creditors: amounts falling due within one year	18	(4,950,506)		(5,062,999)	
Net current assets			<u>1,376,003</u>		<u>1,225,596</u>
Total assets less current liabilities			<u>5,222,303</u>		<u>5,075,960</u>
Creditors: amounts falling due after more than one year	19		(1,473,108)		(1,509,506)
Provisions for liabilities	23		(141,289)		(143,088)
Net assets			<u><u>3,607,906</u></u>		<u><u>3,423,366</u></u>
Capital and reserves					
Called up share capital	26	5,000		5,000	
Revaluation reserve		100,000		100,000	
Profit and loss reserves	27	3,502,906		3,318,366	
Total equity			<u><u>3,607,906</u></u>		<u><u>3,423,366</u></u>

The financial statements were approved by the board of directors and authorised for issue on 14 June 2016 and are signed on its behalf by:



Mr R P Hardie
Director

RICHARD HARDIE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2014		5,000	-	3,121,153	3,126,153
Period ended 31 December 2014:					
Profit for the year		-	-	317,213	317,213
Other comprehensive income net of taxation:					
Revaluation of tangible fixed assets		-	100,000	-	100,000
Total comprehensive income for the year		-	100,000	317,213	417,213
Dividends	11	-	-	(120,000)	(120,000)
Balance at 31 December 2014		5,000	100,000	3,318,366	3,423,366
Period ended 31 December 2015:					
Profit and total comprehensive income for the year		-	-	304,540	304,540
Dividends	11	-	-	(120,000)	(120,000)
Balance at 31 December 2015		5,000	100,000	3,502,906	3,607,906

RICHARD HARDIE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	30	106,162		214,014	
Interest paid		(63,061)		(55,208)	
Income taxes paid		(94,980)		(67,438)	
Net cash (outflow)/inflow from operating activities		(51,879)		91,368	
Investing activities					
Purchase of tangible fixed assets		(42,246)		(32,017)	
Proceeds on disposal of tangible fixed assets		-		9,400	
Interest received		268		353	
Net cash used in investing activities		(41,978)		(22,264)	
Financing activities					
Cash inflow from / (repayment of) bank borrowings		229,691		(157,222)	
Payment of finance leases obligations		(46,528)		91,483	
Dividends paid		(120,000)		(120,000)	
Net cash generated from/(used in) financing activities		63,163		(185,739)	
Net decrease in cash and cash equivalents		(30,694)		(116,635)	
Cash and cash equivalents at beginning of year		(161,336)		(44,701)	
Cash and cash equivalents at end of year		(192,030)		(161,336)	
Relating to:					
Cash at bank and in hand		5,028		243,436	
Bank overdrafts included in creditors payable within one year		(197,058)		(404,772)	

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Richard Hardie Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Trafford Road, Southwick, Sunderland, Tyne & Wear, SR5 2DA.

The company's principal activities are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include the revaluation of freehold properties.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements contain information about Richard Hardie Limited as a single entity company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the directors consider that the company's subsidiary, Hailsham LLC, should be excluded from consolidation as it is not material for the purposes of giving a true and fair view.

First time adoption to FRS102

These financial statements are the first financial statements of Richard Hardie Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Richard Hardie Limited for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. i.e. Sale of new and used cars are recognised at invoice and the sale of parts are recognised when the goods have been distributed to the customer.

Revenue from workshop and body shop repairs is recognised when the service has been carried out.

Bonuses and commissions are recognised when entitlement is established.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	5% straight line
Plant and machinery	20% reducing balance
Fixtures, fittings and equipment	20% reducing balance

Subsequent costs, including replacement parts and major inspections, are capitalised only when it is probable that such costs will generate future economic benefits. Any replacement parts or remaining carrying amounts of previous inspections are then derecognised. All other costs of repairs and maintenance are charged to profit and loss as incurred.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Freehold property is depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost incurred in bringing each product to its present location and condition is based on purchase price including handling costs less trade discounts.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

With regard to the consignment stocks, where supply agreements do not transfer the risks and rewards to the company until such time as the legal title actually passes at the end of the consignment period or the vehicle is registered, consignment stock is not included in the balance sheet.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade payables, other payables and bank loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets or are capitalised as an intangible fixed asset or a tangible fixed asset.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The assets of the scheme are held separately from those of the company in an independently administered fund.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Lease categorisation

In categorising leases as either finance leases or operating leases, the directors make judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2015	2014
	£	£
Turnover		
Sale of goods and services	47,137,735	47,033,615

Turnover analysed by geographical market

	2015	2014
	£	£
United Kingdom	47,137,735	47,033,615

4 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	13,200	11,850
Fees payable to auditors for other services	7,000	2,735
Depreciation of owned tangible fixed assets	46,310	50,748
Cost of stocks recognised as an expense	40,675,354	40,840,731
Operating lease charges	382,120	331,667

5 Auditors' remuneration

	2015	2014
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the company's financial statements	13,200	11,850
For other services		
All other non-audit services	4,900	2,575

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2015 Number	2014 Number
Office and management staff	63	65
Service staff	37	34
Parts staff	13	13
Directors	3	4
	<u>116</u>	<u>116</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	2,817,196	2,723,702
Social security costs	304,483	286,674
Pension costs	66,719	62,433
	<u>3,188,398</u>	<u>3,072,809</u>

7 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	306,924	396,907
Company pension contributions to defined contribution schemes	558	2,232
	<u>307,482</u>	<u>399,139</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>152,736</u>	<u>158,892</u>
--------------------------------------	----------------	----------------

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Interest receivable and similar income

	2015 £	2014 £
Interest income		
Interest on bank deposits	268	348
Other interest income	-	5
	<u>268</u>	<u>353</u>
Total income	<u>268</u>	<u>353</u>

9 Interest payable and similar charges

	2015 £	2014 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	58,953	52,261
Interest on finance leases and hire purchase contracts	4,108	2,947
	<u>63,061</u>	<u>55,208</u>

10 Taxation

	2015 £	2014 £
Current tax		
UK corporation tax on profits for the current period	89,433	95,431
Adjustments in respect of prior periods	41,482	-
	<u>130,915</u>	<u>95,431</u>
Total current tax	<u>130,915</u>	<u>95,431</u>
Deferred tax		
Origination and reversal of timing differences	(1,799)	5,971
	<u>129,116</u>	<u>101,402</u>
Total tax charge	<u>129,116</u>	<u>101,402</u>

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation (Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2015 £	2014 £
Profit before taxation	433,656	418,615
Expected tax charge based on a corporation tax rate of 20.25% (2014 - 21.49%)	87,815	89,960
Tax effect of expenses that are not deductible in determining taxable profit	9,882	15,367
Permanent capital allowances in excess of depreciation	6,472	(2,020)
Other non-reversing timing differences	(17,684)	13
Under/(over) provided in the year	-	452
Deferred tax adjustments in respect of prior years	1,799	1,822
Tax at marginal rate	(650)	(4,192)
Adjustment in respect of previous periods	41,482	-
Tax expense for the year	129,116	101,402

11 Dividends

	2015 per share	2014 per share	2015 £	2014 £
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Final paid	2,400.00	2,400.00	120,000	120,000

12 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2015 and 31 December 2015	100,000
Amortisation and impairment	
At 1 January 2015 and 31 December 2015	100,000
Carrying amount	
At 31 December 2015	-
At 31 December 2014	-

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

13 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost or valuation					
At 1 January 2015	3,000,000	216,483	440,766	703,873	4,361,122
Additions	-	3,184	6,593	32,469	42,246
At 31 December 2015	3,000,000	219,667	447,359	736,342	4,403,368
Depreciation and impairment					
At 1 January 2015	-	43,299	379,674	612,785	1,035,758
Depreciation charged in the year	-	10,837	12,970	22,503	46,310
At 31 December 2015	-	54,136	392,644	635,288	1,082,068
Carrying amount					
At 31 December 2015	3,000,000	165,531	54,715	101,054	3,321,300
At 31 December 2014	3,000,000	173,184	61,092	91,088	3,325,364

Freehold land and buildings with a carrying value of £3,000,000 were revalued during the year ended 31 December 2014 by Knight Frank LLP, chartered surveyors, on an existing use open market value basis, in accordance with the guidance notes of the Royal Institution of Chartered Surveyors. Knight Frank LLP are not connected to the company.

No depreciation is charged on revalued assets, as detailed within note 1 to these financial statements.

In the opinion of the directors, who have many years' expertise in the motor trade, the values of the properties at the balance sheet date have not significantly changed since the date of the above valuation.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2015 £	2014 £
Cost	2,918,435	2,918,435
Accumulated depreciation	-	-
Carrying value	2,918,435	2,918,435

Freehold land and buildings with a carrying amount of £3,000,000 (2014 - £3,000,000) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

14 Fixed asset investments

	Notes	2015 £	2014 £
Investments in subsidiaries	15	525,000	525,000

Fixed asset investments revalued

In respect of investments stated at valuation, the comparable historical cost for 31 January 2015 and 31 January 2014 is £518,308.

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 January 2015 & 31 December 2015	525,000
Carrying amount	
At 31 December 2015	525,000
At 31 December 2014	525,000

15 Subsidiaries

These financial statements are separate company financial statements for Richard Hardie Limited.

The company has taken advantage of the exemption under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Details of the company's subsidiaries at 31 December 2015 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Hailsham LLC (dormant) USA	Property investment	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Hailsham LLC (dormant)	-	525,000

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

16 Stocks

	2015 £	2014 £
Spares and accessories	179,506	160,473
Motor vehicles	4,563,021	4,596,096
	<u>4,742,527</u>	<u>4,756,569</u>

17 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	711,307	596,425
Other debtors	733,304	463,126
Prepayments and accrued income	134,343	229,039
	<u>1,578,954</u>	<u>1,288,590</u>

18 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	21	647,058	628,433
Obligations under finance leases	22	39,750	46,528
Trade creditors		906,866	853,211
Corporation tax payable		89,433	53,498
Other taxation and social security		312,298	82,374
Other creditors		2,768,851	3,153,084
Accruals and deferred income		186,250	245,871
		<u>4,950,506</u>	<u>5,062,999</u>

Included within loans and overdrafts are banks loans of £150,000 (2014: £123,661) which are secured against the freehold land and buildings of the company and an unlimited debenture. Bank overdrafts of £197,058 (2014: £404,772) are secured by a first legal charge over the freehold land and buildings of the company and an unlimited debenture.

Included within other creditors are amounts relating to manufacturer funding facilities of £2,085,141 (2014: £2,415,291) which are secured over the vehicles to which they relate.

Hire purchase creditors of £39,750 (2014: £46,528) are secured on the vehicles to which they relate.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

19 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	21	1,411,545	1,408,193
Obligations under finance leases	22	61,563	101,313
		<u>1,473,108</u>	<u>1,509,506</u>

Included within loans and overdrafts is a bank loan of £1,350,000 (2014: £1,344,267) secured over the freehold land and buildings of the company.

The hire purchase creditors of £61,563 (2014: £101,313) are secured on the vehicles to which they relate.

Loans and overdrafts of £750,000 (£810,114) are due for repayment after more than five years from the balance sheet date and are payable by way of quarterly instalments and bear interest at a rate of 2.5% above LIBOR.

20 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,449,639	1,302,987
Equity instruments measured at cost less impairment	525,000	525,000
	<u>1,974,639</u>	<u>1,827,987</u>
Carrying amount of financial liabilities		
Measured at amortised cost	6,021,883	6,436,633
	<u>6,021,883</u>	<u>6,436,633</u>

21 Borrowings

	2015 £	2014 £
Bank overdrafts	197,058	404,772
Bank loans	1,500,000	1,467,929
Directors' loans	300,000	100,000
Other loans	61,545	63,925
	<u>2,058,603</u>	<u>2,036,626</u>
Payable within one year	647,058	628,433
Payable after one year	1,411,545	1,408,193
	<u>1,411,545</u>	<u>1,408,193</u>

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

21 Borrowings (Continued)

Overdrafts of £197,058 (2014: 404,772) are secured by a first legal charge over the freehold land and buildings of the company and an unlimited debenture. Bank overdrafts are annual facilities, subject to review on 31 July 2016 and are repayable on demand. Interest is payable on amounts owing at 2.25% per annum over base rate.

Bank borrowings of £1,500,000 (2014: £1,467,929) are secured against the freehold land and buildings of the company and an unlimited debenture. The rate of interest payable on the loan is LIBOR plus an interest margin of 2.5% per annum.

22 Finance lease obligations

	2015 £	2014 £
Future minimum lease payments due under finance leases:		
Less than one year	39,750	46,528
Between one and five years	34,063	39,750
After five years	27,500	61,563
	<u>101,313</u>	<u>147,841</u>

Finance lease payments represent rentals payable by the company for certain vehicles. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

23 Provisions for liabilities

	Notes	2015 £	2014 £
Deferred tax liabilities	24	141,289	143,088
		<u>141,289</u>	<u>143,088</u>

24 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Accelerated capital allowances	141,289	143,157
Other timing differences	-	(69)
	<u>141,289</u>	<u>143,088</u>

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

24 Deferred taxation (Continued)

	2015 £
Movements in the year:	
Liability at 1 January 2015	143,088
Credit to profit and loss	(1,799)
Liability at 31 December 2015	<u>141,289</u>

25 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £66,719 (2014 - £62,433). Contributions totalling £5,651 (2014: £5,085) were payable to the fund at the year end and are included in creditors.

26 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

The company's ordinary shares give the right to a share in the profits of the company and to vote at general meetings of the company.

27 Reserves

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings are recognised in profit or loss.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2015**

28 Operating lease commitments

Lessee

The company's operating lease commitments are made up from the rent of the company's premises.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015	2014
	£	£
Within one year	350,000	350,000
Between two and five years	1,050,000	1,260,000
In over five years	1,332,877	1,472,877
	<u>2,732,877</u>	<u>3,082,877</u>

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2015	2014
	£	£
Aggregate compensation	<u>307,482</u>	<u>399,139</u>

No guarantees have been given or received.

The company rents the premises at Sunderland from Richard Hardie Directors Pension Scheme which is a related party by virtue of common control. Rental invoices for the year to 31 December 2015 amounted to £250,000 (2014: £206,667). Amounts outstanding at the year end were £40,000 (2014: £nil)

During the year the company made payments of £31,077 (2014: £57,719) in relation to the Portuguese property owned by Hailsham LLC, a 100% owned subsidiary. These costs were in relation to Hailsham LLC's legal costs and the up-keep of the property. Amounts outstanding at the year end were £nil (2014: £nil)

RICHARD HARDIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

30 Cash generated from operations

	2015 £	2014 £
Profit for the year	304,540	317,213
Adjustments for:		
Income tax expense	129,116	101,402
Finance costs	63,061	55,208
Investment income	(268)	(353)
Depreciation and impairment of tangible fixed assets	46,310	50,748
Movements in working capital:		
Decrease/(increase) in stocks	14,042	(1,088,399)
(Increase)/decrease in debtors	(290,364)	492,564
(Decrease)/increase in creditors	(160,275)	285,631
Cash generated from operations	<u>106,162</u>	<u>214,014</u>